

STATEMENT OF COMPLIANCE WITH LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2019

Burshane LPG (Pakistan) Limited
Year Ending **June 30, 2022**

The Company has complied with the requirements of the Regulations in the following manner:

1. The total number of directors are eight (08) as per the following:
 - a. Male - 6
 - b. Female - 2
2. The composition of board is as follows:

Category	Name
Independent Director	Maj. Gen (R.) Rafiullah Khan (R) Mr. Shaikh Abdus Sami
Non-Executive Directors	Ms. Hamdia Fatin Niazi Ms. Shahbano Hameed Mr. Khalid Dar Mr. Osman Malik
Executive Directors	Mr. Asad Alam Niazi Mr. Saiffee Zakiuddin

3. The Directors have confirmed that none of them is serving as a director on more than Seven listed companies, including this company;
4. The Company has prepared a Code of Conduct and has ensured that appropriate steps have been taken to disseminate it throughout the Company along with its supporting policies and procedures;
5. The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the Company. The Board has ensured that complete record of particulars of the significant policies along with their date of approval or updating is maintained by the company;
6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by Board/ Shareholders as empowered by the relevant provisions of the Act and these Regulations;
7. The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose. The Board has complied with the requirements of Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of Board;
8. The Board of directors have a formal policy and transparent procedures for remuneration of Directors in accordance with the Act and these Regulations;

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9. Seven (7) directors are qualified under the directors training program and one (1) director will complete the training in next financial year. During the year, the board did not arrange training program for its directors, however in next financial year, the Board planned to arrange training program for its directors;
10. The Board has approved appointment of Chief Financial Officer, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations;
11. Chief financial officer and Chief executive officer duly endorsed the financial statements before approval of the Board;
12. The Board has formed following Committees comprising of members given below:

a. Audit Committee

Maj. Gen Rafiullah Khan (R)	Chairman
Mr. Shaikh Abdus Sami	Member
Ms. Hamdia Fatin Niazi	Member

b. Human Resource and Remuneration Committee

Maj. Gen Rafiullah Khan (R)	Chairman
Mr. Asad Alam Niazi	Member
Ms. Hamdia Fatin Niazi	Member
Mr. Saiffee Zakiuddin	Member

13. The terms of reference of the aforesaid committees have been formed, documented and advised to the Committee for compliance.
14. The frequency of meetings (quarterly/half yearly/yearly) of the Committees were as per following:
 - a. Audit Committee 05 meetings were held during the year
 - b. HR and Remuneration Committee 01 meeting was held during the year
15. The Board has set up an effective internal audit function, who are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the Company;
16. The statutory auditors of the company have confirmed that they have been given a satisfactory rating under the Quality Control Review program of the Institute of Chartered Accountants of Pakistan and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan and that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the chief executive officer, chief financial officer, head of internal audit, company secretary or director of the Company;
17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard;

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18. We confirm that all requirements of the regulations 3,6,7,8,27,32,33 and 36 of the Regulations have been complied with except for the following non-compliance:
- a. As per regulation 6(1), each listed company shall have at least two or one third members of the Board, whichever is higher, as independent directors.
19. Explanation for non-compliance with requirements, other than regulations 3, 6, 7, 8, 27, 32, 33 and 36 (non-mandatory requirements) are below:

S.no	Requirement	Explanation	Reg. No.
1.	Majority of Non-executive directors in HR & Remuneration Committee.	Due to the appointment of one independent director on Board this requirement will meet by induction of that independent Director.	28(1)
2.	All the directors on their Boards have acquired the prescribed certification under any director training program offered by institutions, local or foreign, that meet the criteria specified by the Commission and approved by it, by June 30, 2022.	Director training is in process and will complete the training in next financial year.	19(1)(iii)



Shaikh Abdus Sami
Chairman



Asad Alam Niazi
Director / CEO

Dated: September 26, 2022

INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF BURSHANE LPG (PAKISTAN) LIMITED ON THE STATEMENT OF COMPLIANCE CONTAINED IN LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2019

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of Burshane LPG (Pakistan) Limited for the year ended June 30, 2022 in accordance with the requirements of regulation 36 of the Regulations.

The responsibility for compliance with the Regulations is that of the Board of Directors of the Company. Our responsibility is to review whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Regulations and report if it does not and to highlight any non-compliance with the requirements of the Regulations. A review is limited primarily to inquiries of the Company's personnel and review of various documents prepared by the Company to comply with the Regulations.

As a part of our audit of the financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Directors' statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

The Regulations require the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval, its related party transactions. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended June 30, 2022.

Further, we highlight below instance of non-compliance with the requirements of the Code as reflected in the regulation reference where these are stated in the Statement of Compliance.

Mandatory (non-compliance)

S.no	Regulation Reference	Description
1	6(1)	During the year, the Board consist of total 8 members out of which only 2 are independent members. The Company has not provided any explanation to the SECP as to why the fraction of one-third is not rounded up as one.

KARACHI

DATED: SEPTEMBER 26, 2022

UDIN: CR202210067stXjLOC2u


CHARTERED ACCOUNTANTS
Engagement Partner: Zulfikar Ali Causer

BDO Ebrahim & Co. Chartered Accountants

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